

**2008 ANNUAL REPORT
OF THE
IOWA RAILWAY FINANCE AUTHORITY**

The Iowa Railway Finance Authority (IRFA) was created in 1980 by the 68th General Assembly to provide for the financing of rail facilities and to enhance and continue the operation of essential rail facilities. IRFA was authorized to offer financial assistance for the acquisition, rehabilitation, construction, refinancing, extension, replacement, maintenance, repair, or leasing of any rail facility.

Rail Revolving Loan and Grant Program

The 2005 legislative session amended Iowa Code 327H.20 by assigning all repayments of IRFA and other Iowa Department of Transportation (Iowa DOT) rail assistance loans to the Rail Revolving Loan and Grant Program (RRLGP). In addition, the following annual appropriations were allocated to the fund:

- FY 2007: \$235,000
- FY 2008: \$2 million
- FY 2009: \$2 million

Since the creation of the RRLGP in 2005, IRFA has awarded funding to 23 projects totaling over \$7.2 million in grants and loans in its three rounds of competitive funding. These projects have pledged to create 1,672 jobs within two years of project completion and 1,361 jobs have been retained. Funded projects are associated with over \$2 billion in total private capital investment.

In 2008, the IRFA Board directed all available funds be used to help repair railroads devastated by summer flooding. On July 31, \$3.9 million in deferred payment loans were offered to seven Iowa based railroads to allow for immediate repair of rail beds, including the cost of materials, labor and equipment.

The tables beginning on the next page summarize the projects that have received RRLGP funding since the program was created.

**Iowa Railway Finance Authority
Rail Revolving Loan and Grant Program
(Project status as of December 31, 2008)**

| June 2006 Awards | | | | | |
|--------------------------------|-------------------------|----------------------|---------------------|----------------------|--------------------------|
| Applicant | Project Location | Awarded Grant | Awarded Loan | Awarded Total | Project Status |
| Absolute Energy LLC | Mitchell County | \$246,000 | \$254,000 | \$500,000 | Completed |
| Cascade Lumber Company | Pleasantville | \$214,000 | \$320,000 | \$534,000 | Completed |
| Eastern Iowa Industrial Center | Davenport | \$450,000 | \$310,791 | \$760,791 | In progress |
| Green Plains Renewable Energy | Shenandoah | \$126,000 | \$154,000 | \$280,000 | Under construction |
| Iowa Cold Storage | Altoona | \$120,000 | \$259,500 | \$379,500 | Completed |
| Iowa Renewable Energy | Washington | \$168,000 | \$132,000 | \$300,000 | Completed |
| LincolnWay Railport | Clinton | \$90,000 | \$229,209 | \$319,209 | Released by recipient |
| Marco Group International | Davenport | \$22,500 | \$0 | \$22,500 | Under construction |
| Metzler Automotive | Keokuk | \$60,000 | \$0 | \$60,000 | Completed |
| | Total | \$1,496,500 | \$1,659,500 | \$3,156,000 | |
| December 2006 Awards | | | | | |
| Applicant | Project Location | Awarded Grant | Awarded Loan | Awarded Total | Project Status |
| Alternative Energy Sources | Ogden | \$144,500 | \$94,500 | \$239,000 | Agreement in negotiation |
| LincolnWay Railport | Clinton | \$244,500 | \$244,500 | \$489,000 | Withdrawn by recipient |
| Siemens Wind Power | Fort Madison | \$326,000 | \$40,010 | \$366,010 | Agreement signed |
| Southern Iowa BioEnergy | Osceola | \$100,000 | \$150,000 | \$250,000 | Agreement signed |
| | Total | \$815,000 | \$529,010 | \$1,344,010 | |

October 2007 Awards

| Applicant | Project Location | Awarded Grant | Awarded Loan | Awarded Total | Project Status |
|-----------------------------|-------------------------|----------------------|---------------------|----------------------|--------------------------|
| CR Terminal - IANR | Palo | \$36,000 | \$206,000 | \$242,000 | Agreement in negotiation |
| Norfolk Iron & Metal | Durant | \$810,000 | \$30,000 | \$840,000 | In progress |
| Big River Resources | Grinnell | \$75,000 | \$0 | \$75,000 | Agreement in negotiation |
| Homeland Energy | New Hampton | \$0 | \$25,000 | \$25,000 | Agreement in negotiation |
| Oregon Trail Energy | Alta | \$75,000 | \$0 | \$75,000 | Agreement in negotiation |
| Prairie Creek Ethanol | Wesley | \$75,000 | \$0 | \$75,000 | Released by recipient |
| Raccoon Valley Bio Diesel | Storm Lake | \$50,000 | \$0 | \$50,000 | Agreement in negotiation |
| Unity Ethanol - Cedar River | Louisa County | \$0 | \$270,000 | \$270,000 | Agreement in negotiation |
| Unity Ethanol - Ottumwa | Ottumwa | \$159,000 | \$111,000 | \$270,000 | Agreement in negotiation |
| LincolnWay Railport | Clinton | \$120,000 | \$720,000 | \$840,000 | Released by recipient |
| | Total | \$1,400,000 | \$1,362,000 | \$2,762,000 | |

**July 2008 Awards
Flood Recovery**

| Applicant | Project Location | Awarded Grant | Awarded Loan | Awarded Total | Project Status |
|--|---|----------------------|---------------------|----------------------|-----------------------|
| Burlington Junction Railway | Des Moines County | | \$71,000 | \$71,000 | In progress |
| Cedar Rapids and Iowa City Railway Company (CRANDIC) | Benton, Linn, Iowa and Johnson Counties | | \$320,000 | \$320,000 | In progress |
| Keokuk Junction Railway Company | Lee County | | \$554,000 | \$554,000 | In progress |
| Iowa, Chicago & Eastern Railroad Corporation (ICE) | Eastern Iowa locations | | \$1,417,000 | \$1,417,000 | In progress |
| Iowa Interstate Railroad Ltd. | Eastern Iowa locations | | \$772,000 | \$772,000 | In progress |
| Iowa Northern Railway Company | Central and Eastern Iowa Locations | | \$681,000 | \$681,000 | In progress |
| Iowa River Railroad | Hardin and Marshall Counties | | \$184,000 | \$184,000 | In progress |
| | Total | | \$3,999,000 | \$3,999,000 | |